REMARKS

Each of the independent claims have been amended to include the limitations of original dependent claim 2. Independent claim 1 has also been amended to include the limitation of dependent claim 8. The Applicant submits that the incorporation of such dependent claim(s) does not raise any new issues. Dependent Claims 31- 33 have been added to recite preferred embodiments as recited p. 8, line 29 - p. 9, line 2.

Hence, independent claims 1, 22, and 30, each directed to a method of making retroreflective elements now recite "mechanically mixing the coated particles with optical elements by means of (a device comprising) at least one rotating mixing members such that optical elements are embedded in the unsolidified polymeric composition". Similarly, independent claim 26 now recites "mechanically mixing the coated particles with second particles by means of a device comprising at least one rotating mixing member".

§ 103 Rejections

Claims 1-9, 13-14, 21-24, 26-30 are rejected under 35 USC § 103(a) as being unpatentable over Palmquist et al. in view of Song et al.

Claims 10 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Palmquist et al. in view of Song et al. as applied to claims above, and further in view of Ajax LynFlow Continuous Mixer Reference.

Claim 11 is rejected under 35 USC § 103(a) as being unpatentable over Palmquist et al. ('196) in view of Song et al. as applied to claims above, and further in view of Eirich et al.

Claims 15-17 are rejected under 35 USC § 103(a) as being unpatentable over Palmquist et al. ('196) in view of Song et al. as applied to claims above, and further in view of Lange ('469).

Claims 18-20 are rejected under 35 USC § 103(a) as being unpatentable over Palmquist et al. in view of Song et al. as applied to claims above, and further in view of Schleifstein.

In view of each of the independent claims being amended to include the limitations of claim 2, these rejection are most with the exception of the rejection of Claims 1-9, 13-14, 21-24, 26-30 under 35 USC § 103(a) as being unpatentable over Palmquist et al. in view of Song et al.

The Examiner acknowledged that Palmquist et al does not explicitly disclose a continuous process or wherein the combining further includes at least one rotating mixing member further being a disc.

The Applicant would like to bring to the Examiner's attention again to Column 5, lines 25-42, of Song et al. that recites as follows:

"In use, the feeder 26 feeds the first material 28 through the first member 12. The first material 28 falls through the top opening 22 of the first member 12, through the interior 30 of the first member 12 possibly aided by downward air currents which are created by the spinning disk 16. At the same time, the molten material 42 is sprayed through the spray nozzle 36 into an interior 50 of the second member 32. As illustrated, the nozzle 36 sprays the material toward the disk 16.

The first material 28 as it is fed thereby falls through a cloud or spray of molten atomizing encapsulate second material 42 which is pumped through the spray nozzle 36. The particles of the first material 28 are thereby encapsulated by the second material 42 on the spinning disk 16. The resultant coated particles 52 then, due to centrifugal force, will be urged towards the edge 54 of the spinning disk 16 where they can be captured as they fall therefrom as is known in the art."

Applicant previously argued that Song et al. fails to teach combining the coated particles with second particles such as optical elements such that the second particles are embedded in the unsolidified polymeric composition. Therefore, the combination of Song et al. with Palmquist et al. would simply result in coated core particles, but not coated particles having second particles embedded in the unsoldified polymeric (coating) composition.

The Applicant would like to also bring to the Examiner's attention that the spinning disk of Song et al. is merely employed to transport the coated particles out of the apparatus. Song et al. fails to teach mechanical mixing of coated particles with second particles such as optical elements.

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Since, the combination of Song et al. with Palmquist et al. fails to teach all the claims limitations, a prima facie case of obviousness has not been established.

Reconsideration and a timely allowance are respectfully requested.

Respectfully submitted,

By: /Carolyn A. Fischer/ April 24, 2008

Carolyn A. Fischer, Reg. No.: 39,091 Date

Telephone No.: 651-575-3915

Office of Intellectual Property Counsel 3M Innovative Properties Company

Facsimile No.: 651-736-3833